DRAFT IMPLEMENTATION MANUAL FOR THE ZERO-EMISSION AND PLUG-IN HYBRID LIGHT-DUTY VEHICLE (CLEAN VEHICLE) REBATE PROJECT

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Table of Contents

IMPLEMENTATION MANUAL
FOR THE CLEAN VEHICLE REBATE PROJECT

Appendices

EXECUTIVE SUMMARY

The Zero-Emission and Plug-In Hybrid Light-Duty Vehicle Rebate Project (Clean Vehicle Rebate Project or CVRP) is intended to encourage and accelerate zero-emission vehicle deployment and technology innovation. This project benefits the citizens of California by providing immediate air pollution emission reductions and stimulating development and deployment of the next generation of zero-emission and plug-in hybrid light duty vehicles. The project provides rebates of up to $20,000 for California purchasers or lessees of zero-emission vehicles, including zero-emission cars, trucks, commercial medium- and heavy-duty vehicles, motorcycles, and neighborhood electric vehicles (NEVs), as well as plug-in hybrid electric light-duty vehicles (PHEV). The Clean Vehicle Rebate Project builds upon the success of the Air Resources Board's (ARB) recent Alternative Fuel Vehicle Incentive Program (AFVIP). The Clean Vehicle Rebate Project will be administered and implemented through a partnership between ARB and California Center for Sustainable Energy (CCSE), selected via a competitive ARB grant solicitation. Ninety percent of Clean Vehicle Rebate Project funds are for the purchase of new eligible hybrid vehicles. CCSE may use no more than ten percent of Clean Vehicle Rebate Project funds for outreach and to administer the program.

The Clean Vehicle Rebate Project Implementation Manual, in conjunction with the Air Quality Improvement Program (AQIP) Guidelines and AQIP Funding Plan for Fiscal Year 2009-10, identifies the minimum requirements for administration, implementation, and oversight of the Clean Vehicle Rebate Project. The Implementation Manual may be periodically updated as needed to clarify project requirements and improve project effectiveness. The CVRP Implementation Manual, including any updates, will be posted on the Air Resources Board's website at http://www.arb.ca.gov/msprog/aqip/cvrp.htm as well as the official CVRP webpage at www.fuelingalternatives.org.

1 INTRODUCTION

In 2007, Governor Schwarzenegger signed into law the *California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007* (AB 118, Statutes of 2007, Chapter 750). AB 118 created the AQIP, a voluntary incentive program administered by ARB, to fund clean vehicle and equipment projects, air quality research, and workforce training. ARB's funding, based on projected State revenues, for AQIP projects in the Fiscal Year (FY) 2009-10 is $34.6 million.

In April 2009, ARB adopted AQIP Guidelines that establish minimum administrative and implementation requirements, providing the overarching rules for how ARB will manage this incentive program. The AQIP Guidelines include the procedures for issuing project solicitations and selecting projects. The Clean Vehicle Rebate Project solicitation has been developed in accordance with the provisions of the AQIP Guidelines.

In April 2009, ARB also approved the AQIP Funding Plan for Fiscal Year (FY) 2009-10 (Funding Plan), which serves as the blueprint for expending FY 2009-10 AQIP funds. The Funding Plan establishes ARB's priorities for the funding cycle, describes the projects ARB will fund in FY 2009-10, and sets funding targets for each project. Under the Funding Plan, AQIP funds will be focused on supporting development and deployment of the advanced technologies needed to meet California's longer-term, post 2020 air quality goals. The Funding Plan establishes the Clean Vehicle Rebate Project as one of the four deployment/commercialization projects funded in AQIP for FY 2009-10. In November 2009, the ARB selected, through a competitive solicitation, the California Center for Sustainable Energy (CCSE) as the Grantee for this project.

This document constitutes the ARB's and CCSE's Implementation Manual for the Clean Vehicle Rebate Project (Implementation Manual). The purpose of this incentive project is to encourage and accelerate zero-emission vehicle deployment and technology innovation. The project provides rebates of up to $20,000 to qualified individuals, businesses, public agencies and entities, and non-profit organizations for the purchase or lease of an eligible vehicle. The Implementation Manual, in conjunction with the AQIP Guidelines and AQIP Funding Plan, identifies the minimum requirements for administration, implementation, and oversight of the Clean Vehicle Rebate Project. Definitions of key program parameters are in Section 5 of this manual.

2 PROJECT IMPLEMENTATION

2.1 Project Framework

The Clean Vehicle Rebate Project enables the purchaser or lessee of an eligible vehicle to receive a rebate of up to $20,000. After the purchaser takes ownership and registers the vehicle or, if leased, the lessee has obtained registration on the vehicle, they will be eligible for the rebate. The rebate application may be submitted online, downloaded from the Clean Vehicle Rebate Project website and mailed to CCSE, or obtained by contacting CCSE directly and submitted by mail.

It is important that the Clean Vehicle Rebate Project information be centrally available to the public and other interested parties. In order to achieve this, the Clean Vehicle Rebate Project website, www.fuelingalternatives.org, will include an up-to-date list of eligible vehicles as well as the rebate amount for each vehicle, an online rebate application, all supporting documentation and forms, and a real-time running total of available funds remaining in the program. The website will enable the program to be streamlined and provide project transparency.

The website will provide information regarding the date at which a vehicle must be purchased or leased on or after in order to be eligible for a rebate through this project. For the purposes of this project, the date of purchase shall be the day of sale. Typically, a sale is deemed completed and consummated when the purchaser of the vehicle has paid the purchase price, or, in lieu thereof, has signed a purchase contract or security agreement and taken physical possession or delivery of the vehicle. For purposes of this program, a vehicle shall be deemed to be leased on the date upon which the lease of the vehicle commences**,** which is typically specified in a signed lease agreement. If leased, the vehicle must be leased for a minimum term of 36 months.

Key milestones for Clean Vehicle Rebate Project development and implementation are identified in Table 1.

Table 1: Clean Vehicle Rebate Project (CVRP) Development and Implementation Timeline

Action Item	Date or Time Period
Solicitation for CVRP Grantee	September 2009
CCSE selected as Grantee	November 2009
CCSE develops project webpage, conducts outreach. Implementation Manual and online application finalized.	December 2009 - February 2010
Launch of official CVRP webpage at www.fuelingalternatives.org	February 17, 2010
Vehicle funding becomes available Online applications available at www.fuelingalternatives.org	March 15, 2010 (until depleted)
Status Report to ARB Project Liaison	February 2010 – June 2012

This timeline may be changed at ARB's sole discretion.

2.2 Eligible Vehicles

This section discusses the categories of vehicles eligible for grant funding under the Clean Vehicle Rebate Project and the specific criteria that a vehicle model must meet to be considered eligible. Vehicle models will be approved by ARB on a model year basis and placed on a List of Eligible Vehicle Models for rebates. A continuously updated list of eligible vehicles and rebate amounts will be maintained on the designated CVRP website, www.fuelingalternatives.org. Vehicle manufacturers must submit a Vehicle Eligibility Application (Appendix A) to ARB. The vehicle manufacturer is responsible for providing all the required documentation described on the application. ARB will coordinate with the vehicle manufacturers to request any additional documentation needed for eligibility determinations. ARB is responsible for providing CCSE the current list of eligible vehicles and the corresponding rebate amounts.

There are five categories of vehicles eligible for grant funding under the Clean Vehicle Rebate Project: (1) Light-Duty Zero-Emission Vehicles, (2) Light-Duty Plug-in Hybrid Electric Vehicles, (3) Neighborhood Electric Vehicles, (4) Zero-Emission Motorcycles, and (5) Commercial Zero-Emission Vehicles.

2.2.1 Light-Duty Zero-Emission Vehicles (Light-Duty ZEVs)

Vehicles in the Light-Duty ZEV category include electric-drive, zero-emission vehicles up to 10,000 pounds gross vehicle weight rating (GVWR). For the purposes of the CVRP, Light-Duty ZEVs are categorized into six Types (see Table 2) based on vehicle range and refueling capability as defined in the

California Zero-Emission Vehicle Regulation sections 1962 and 1962.1 Title 13, California Code of Regulations (CCR).

2.2.2 Plug-in Hybrid Electric Vehicles (PHEVs)

PHEVs are hybrid electric vehicles that have zero emission vehicle range capability, an on-board electrical energy storage device, an on-board charger, and are rechargeable from an external connection to an off-board electrical source.

2.2.3 Neighborhood Electric Vehicles (NEVs)

Vehicles in the NEV category are zero-emission vehicles that are also categorized as low speed vehicles. California Vehicle Code (CVC) section 385.5, defines a low speed vehicle as a motor vehicle with four wheels on the ground and an unladen weight of 3,000 pounds or less, that is capable of propelling itself at a minimum speed of 20 miles per hour and a maximum speed of 25 miles per hour on a paved level surface. NEVs may be legally operated on public streets with maximum speed limits of 35 mile per hour or lower. Low speed vehicles are subject to a DOT safety standard (49 CFR 571.500) that requires ten specific items of safety equipment. Under the Clean Vehicle Rebate Project, NEV manufacturers need not retire or forego California ZEV regulatory credits earned from the production of a vehicle offered for sale in California and the placement of the vehicle into service on or after March 15, 2010.

2.2.4 Zero-Emission Motorcycles (ZEMs)

Vehicles in the ZEM category include fully-enclosed zero emission vehicles designed to travel on three wheels and two-wheel electric motorcycles meeting the provisions of CVC section 400. Electric cycles with design traits or performance characteristics similar to a motor-driven cycle (CVC section 405) are not zero emission motorcycles for the purpose of this project.

2.2.5 Commercial Zero-Emission Vehicles (Commercial ZEVs)

Vehicles in the Commercial ZEV category include electric-drive, zero-emission medium- or heavy-duty vehicles (10,000 to 33,000 pounds GVWR) powered by batteries and/or a hydrogen fuel cell. Commercial ZEVs are capable of operation on freeways.

2.3 Vehicle Eligibility Criteria

Vehicles must meet the following criteria to be eligible for a rebate:

2.3.1 Be new-

To be eligible, the vehicle must be a new vehicle as defined in CVC section 430.[1] The Original Equipment Manufacturer (OEM) or its authorized licensee must manufacture the vehicle. Vehicles considered new vehicles solely for determination of compliance with state emissions standards pursuant to Health and Safety Code, Article 1.5, Prohibited Transactions, (sections 43150-43156) and CVC section 4000.2, Registration of Out-of-State Vehicles, are not eligible vehicles. If the vehicle is not new, has been re-leased, is the subject of a lease assumption or has been transferred into California after previously having been registered out-of-state, the vehicle is not eligible for a rebate through the Clean Vehicle Rebate Project. Aftermarket plug-in hybrid electric vehicle conversions are not eligible for CVRP funding, but may be eligible for a separate rebate program through the California Energy Commission (CEC) (http://www.energy.ca.gov/altfuels/index.html).

2.3.2 Be ARB approved/certified-

With the exception of ZEMs and Commercial ZEVs greater than 14,000 pounds GVWR, the vehicle model must be certified by the ARB as a new, zero-emission or plug-in hybrid vehicle as defined in the California ZEV Regulation, section 1962(d)(5)(A), Title 13, CCR for 2003-2008 model year vehicles and section 1962.1(d)(5)(A), Title 13, CCR for 2009 and subsequent model years. Commercial ZEVs greater than 14,000 pounds GVWR must be ARB approved. The manufacturer must also certify that the vehicle model complies with all applicable federal safety standards for new motor vehicles and new motor vehicle equipment issued by the National Highway Traffic Safety Administration (NHTSA). A table summarizing the FMVSS for a number of vehicle categories is provided in Appendix C. The FMVSS are found in Title 49 of the Code of Federal Regulations (CFR) Part 571. If a written statement and documentation have been previously provided to ARB in the course of applying for ARB approval/certification of the vehicle model, no additional written statement is required.

2.3.3 Performance, emissions, and service thresholds:

- ARB may request that a vehicle manufacturer provide a written statement declaring whether or not the vehicle is capable of freeway operation. In order for a vehicle to be considered capable of operation on a freeway, it must be in compliance with CVC section 22400.[2] A vehicle will be presumed not capable of operation on the freeway if any one of the following circumstances apply:
  - The vehicle is a low-speed vehicle as defined by CVC section 385.5;

[1] Per Section 430 of the California Vehicle Code, a "new vehicle" is a vehicle constructed entirely from new parts that have never been the subject of a retail sale, or registered with the department, or registered with the appropriate agency or authority of any other state, District of Columbia, territory or possession of the United States, or foreign State, province, or country.

[2] CVC Section 22400 (Minimum Speed Law) states that no person shall drive upon a highway at such a slow speed as to impede or block the normal and reasonable movement of traffic.

- The vehicle is prohibited by law from being operated on the freeway or is only capable of limited operation on the freeway;
- The manufacturer has required, or will require, the purchaser or lessee to sign an agreement that limits, or prevents, the operation of the vehicle on the freeway; or
- There is a written manufacturer's statement or recommendation (which can include the owner's manual for the vehicle) that the vehicle should not be operated on the freeway or should have limited operation on the freeway.

In addition to the above, the following requirements must be met:

- **Light-Duty ZEVs and Commercial ZEVs** under 14,000 pounds GVWR must be certified as Type I, I.5, II, III, IV, or V ZEVs as defined in the applicable California ZEV Regulation.
- **Commercial ZEVs** greater than 14,000 pounds GVWR must have a range of more than 50 miles and be capable of freeway operation.
- **PHEVs** must meet the Enhanced AT-PZEV definition as defined in the California ZEV Regulation section 1962.1(i), Title 13, CCR, including the SULEV, evaporative emissions, onboard diagnostics, extended warranty, and zero-emission VMT and advanced componentry PZEV allowance standards as defined in section 1962.1(c).
- **NEVs** must meet the "Neighborhood Electric Vehicle" definition in Section 5 of this Implementation Manual, have been evaluated for baseline performance in accordance with United States Department of Energy (U.S. DOE) NEV America guidelines (successful completion of the NEV America assessment), be equipped with sealed, maintenance free batteries, and be covered by a minimum level of after sales service as described below.
  - Successful completion of the NEV America assessment means the NEV meets: (1) all of the minimum vehicle requirements specified in the NEV America Technical Specifications (Revision 2, dated December 1, 2004), and (2) the acceleration, top speed, and constant speed range performance specification in sections 5.1 through 5.3 of the same document. NEVs that successfully completed the NEV America assessment prior to Revision 2 of the Technical Specifications are still eligible for a rebate provided that the vehicle model applying for incentives is sufficiently similar to the vehicle model that completed the assessment. The Specifications are available at: http://avt.inl.gov/pdf/nev/nevtechspec.pdf
  - Each manufacturer must demonstrate to ARB that they have a program to offer convenient and time-sensitive warranty and maintenance service to the vehicle owner. An acceptable service program will have readily available parts, trained service technicians, and the ability to either send a technician to an owner's home or pick up and transport the vehicle to an authorized repair facility.
- **ZEMs** must meet the "Zero Emission Motorcycle" definition in Section 5 of this Implementation Manual, successfully complete the Zero Emission Motorcycle Evaluation Procedure (Appendix C), have sealed batteries, meet acceleration

requirements to be capable of freeway operation, and be covered by a minimum level of after sales service as described below.

- Successful completion of the Zero Emission Motorcycle Evaluation Procedure means that a recognized third-party vehicle standards organization has evaluated the ZEM using the procedures contained in Appendix E and the ARB has verified that the ZEM meets the specified range and, where applicable, acceleration requirements.
- Each manufacturer must demonstrate to ARB that they have a program to offer convenient and time-sensitive warranty and maintenance service to the vehicle owner. An acceptable service program will have readily available parts, trained service technicians, and the ability to either send a technician to an owner's home or pick up and transport the vehicle to an authorized repair facility.

2.3.4 Warranty provisions-

The vehicle drive train, including applicable energy storage tanks or a battery pack, must be covered by a manufacturer warranty. Prior to approving a vehicle model for addition to the List of Eligible Vehicles, ARB may request that the manufacturer provide copies of representative vehicle and battery warranties and a description of the manufacturer's plans to provide warranty and routine vehicle service. Warranty provisions must meet the following requirements:

- **Light-Duty ZEVs and PHEVs** must have, at a minimum, a warranty of 36 months; the first 12 months of the coverage period shall be a full warranty. If the warranty for the remaining 24 months is prorated, the percentage of the battery pack's original value to be covered or refunded must be at least as high as the percentage of the prorated coverage period still remaining. For the purpose of this computation, the age of the battery pack must be expressed in intervals no larger than three months.
- **Commercial ZEVs** must have, at a minimum, a warranty of 36 months or 50,000 miles, whichever comes first. The first 12 months of the coverage period shall be a full warranty covering at a minimum motor, drive train, battery, parts and labor. If the warranty for the remaining 24 months is prorated, the percentage of the battery pack's original value to be covered or refunded must be at least as high as the percentage of the prorated coverage period still remaining. For the purpose of this computation, the age of the battery pack must be expressed in intervals no larger than three months.
- **NEVs and ZEMs** must require, at a minimum, a warranty of 24 months. At least four months of the first 12 months of the NEV/ZEM coverage period shall be a full warranty; the remainder of the first 12 months and all of the second 12 months of the coverage period may be covered under optional (available for purchase) extended warranties and may be prorated. If the extended warranty is prorated, the percentage of the battery pack's original value to be covered or refunded must be at least as high as the percentage of the prorated coverage period still remaining. For the purpose of this computation, the age of the battery pack must be expressed in intervals no larger than three months. Alternatively, a

manufacturer may cover 50 percent of the original value of the battery pack for the full period of the extended warranty.

2.4 Development of List of Eligible Vehicle Models

The List of Eligible Vehicle Models for the Clean Vehicle Rebate Project will be periodically updated as manufacturers submit applications and vehicle models are approved. In order for a vehicle to be eligible for a rebate through this project, the vehicle manufacturer must submit to ARB the Vehicle Eligibility Application in Appendix A and all supporting documentation. ARB will work with the vehicle manufacturer to ensure that all the required documentation is received and request any additional information needed to make an eligibility determination. If the vehicle meets the eligibility requirements set forth in Section 2.3 of this Implementation Manual, then ARB will add the vehicle to the List of Eligible Vehicle Models, calculate the rebate amount, and provide the updated list to CCSE. Vehicles purchased prior to the vehicle being added to the List of Eligible Vehicles are not eligible for a rebate.

2.5 Vehicle Rebate Amounts

Table 2 summarizes the maximum per vehicle rebate amount and the maximum project funding (or funding limits) for each vehicle type. The maximum funding limits for zero-emission motorcycles and commercial vehicles ensure funding is distributed among the vehicle types. Total rebates issued for these vehicle types must not exceed the maximum project funding listed in the Table 2.

Table 2: Clean Vehicle Rebate Project Maximum Rebate Amounts

Vehicle Type	Maximum Rebate Amount	Maximum Project Funding
Light-Duty Zero-Emission Vehicle Type II, III, IV, or V Type I.5 Type I	 $5,000 $4,000 $3,000	$4.1 million
Light-Duty Plug-in Hybrid Electric Vehicle	$3,000	
Neighborhood Electric Vehicle	$1,500	
Zero-Emission Motorcycle	$1,500	$0.8 million
Commercial Zero-Emission Vehicle	$20,000	$2.4 million

The ARB will establish a rebate amount for each eligible vehicle model equal to either 10 percent of the manufacturer's suggested retail price (MSRP) or 50 percent of the incremental difference in cost between the eligible vehicle and a comparable internal combustion engine vehicle, whichever is greater, up to the maximum rebate amount for that vehicle type listed in Table 2. Specific rebate amounts for each eligible vehicle model will be included in the List of Eligible Vehicle Models and available on the project webpage.

<u>Opportunities for Additional Vehicle Cost Buy-Down</u>

Participation in the Clean Vehicle Rebate Project does not preclude a vehicle purchaser or lessee from taking advantage of other incentive opportunities. Rebates could be

combined with federal, state, or local agency incentives as well as CCSE match funding to help further buy-down an eligible vehicle's incremental cost; however, these combined funds may not exceed the vehicle's incremental cost. For simplicity purposes, the rebate amount determined by ARB will be considered half of the incremental cost, such that the maximum incentives a vehicle purchaser or lessee could obtain for an eligible vehicle would be double that of the ARB rebate. The vehicle purchaser or lessee must disclose all other incentives received to the CCSE. State or federal tax credits are not required to be considered under this provision; however, the total in both incentives and tax credits may not be more than the vehicle purchase price.

2.6 Distribution of Rebates

CCSE, in coordination with ARB, must develop the Clean Vehicle Rebate Project website (www.fuelingalternatives.org) to provide the public a central location for all information on the project. The Clean Vehicle Rebate Project website will include an online application, a list of eligible vehicles, the eligible rebate amount for each vehicle, and provide a real-time running total of available funds remaining in the program. At any time following the purchase or lease transaction, the purchaser or lessee may submit a rebate application. The rebate application may be submitted online at www.fuelingalternatives.org. Additionally, applications may be downloaded from the website and returned electronically or by mail to CCSE. Applications may also be obtained directly by contacting CCSE's Transportation Programs Manager at 858-244-7287 and returned electronically or by mail.

Rebates will be distributed on a first-come first-serve basis. If the application is submitted online or electronically, a rebate has been reserved and the purchaser or lessee has 14 calendar days to mail (determined by US mail postmark) the required documentation to CCSE. If the purchaser or lessee does not submit the required documentation within the 14 calendar days, the funds will be released back to the project and the purchaser or lessee will need to submit another rebate application. Applications submitted by mail must include all the required documentation to be considered complete and reserve a rebate. Required documentation will include, at a minimum, a copy of the sales or lease contract, an itemization of discounts, incentives and credits received, and proof of temporary or permanent vehicle registration. Once the CCSE has verified the documentation, a rebate check will be issued to the purchaser or lessee.

The rebate for an eligible vehicle will be issued to the qualified recipient in a single allotment. The distribution of this rebate will be made as soon as possible, but no later than 60 days after receipt and verification of the documentation required for approval of the rebate.

3 DUTIES AND REQUIREMENTS

3.1 Air Resources Board

ARB is responsible for:

- Development of the Draft Implementation Manual (the Implementation Manual will be finalized in consultation with the Grantee).
- Selecting the Grantee.
- Evaluating and approving vehicles for Clean Vehicle Rebate Project eligibility, and providing CCSE an up-to-date list of eligible vehicles. ARB is responsible for working closely with vehicle manufacturers in order to determine vehicle eligibility.
- Determining vehicle rebate amounts and providing this information to CCSE.
- Participating in regular meetings with CCSE to discuss project refinements and guide project implementation.
- Review and approval of project elements provided by CCSE, such as the Clean Vehicle Rebate Project webpage, rebate payment verification, and progress reports.
- Distribution of project funds to CCSE.
- Project oversight and accountability (in conjunction with CCSE).
- Meet all applicable requirements of statute, the AQIP Guidelines and Funding Plan (adopted by the Board on April 24, 2009), the Clean Vehicle Rebate Project solicitation, the grant agreement with CCSE, and the Clean Vehicle Rebate Project Implementation Manual. The AQIP Guidelines and Funding Plan are available at: www.arb.ca.gov/msprog/aqip/aqip.htm.

ARB shall also designate an ARB Project Liaison as the contact person for coordination with the CCSE. The ARB Project Liaison for the FY 2009-10 Clean Vehicle Rebate Project is Ms. Stella Ling-Taylor. Ms. Ling-Taylor can be reached by e-mail at slingtay@arb.ca.gov or by telephone at (916) 322-6369.

3.2 California Center for Sustainable Energy (CCSE)

CCSE is responsible for the on-the-ground project implementation of distributing rebate payments for eligible vehicles, including, but not limited to, the following tasks:

- Finalize the Draft Implementation Manual in consultation with ARB.
- Prepare outreach and educational materials in consultation with ARB and conduct the statewide public outreach necessary for the project to be successful.
- Develop a user-friendly public webpage which must include, at a minimum:
    1. The list of eligible vehicles and each vehicle's rebate amount.
    2. Ability to submit online rebate applications.
    3. Ability to track total Clean Vehicle Rebate Project funds available and expended in real-time.
    4. All documents and forms related to the project.
- Ensure purchasers and lessees meet all applicable Clean Vehicle Rebate Project requirements.
- Use the criteria in this Implementation Manual to review and approve or disapprove rebate applications.
- Distribute rebate payments to eligible vehicle purchasers and lessees.
- Track expenditure of Clean Vehicle Rebate Project grant funding.

- Closely communicate with ARB to ensure that the most current list of eligible vehicles is being used.
- Respond to public inquiries regarding the Clean Vehicle Rebate Project.
- Provide Status Reports to ARB detailing rebates redeemed for purchased vehicles. The grant agreement with CCSE may specify an electronic format for quarterly reporting, as needed for transparent and effective data tracking.
- Provide ARB with a Clean Vehicle Rebate Project Final Report that summarizes and evaluates total fund expenditures (including match and in-kind funds), vehicles funded, outreach efforts, and implementation challenges, and recommends potential program improvements.
- Provide ARB a mechanism for receiving three years of annual reports from purchasers and lessees of commercial ZEVs.
- Provide information, upon request, to individuals or organizations that wish to appeal a rebate denial to the Project Liaison.
- Provide ARB with all webpage(s), software or other intellectual property developed or purchased by CCSE for the purposes of administering or implementing the Clean Vehicle Rebate Project, if requested.
- Meet all applicable requirements of statute, the AQIP Guidelines and Funding Plan, ARB's Clean Vehicle Rebate Project solicitation, the Clean Vehicle Rebate Project grant agreement with ARB, and this Implementation Manual.

CCSE responsibilities encompass three phases to ensure the efficient and proper distribution of rebate payments for eligible vehicles – project development, project implementation, and project reporting.

Conflict of Interest

CCSE may have no interest, and shall not acquire any interest, direct or indirect, which will conflict with its ability to impartially complete the project tasks described above. CCSE, as part of their application, has disclosed any direct or indirect financial interest or situation which may pose an actual, apparent, or potential conflict of interest with its duties as the Clean Vehicle Rebate Project Grantee.

3.3 Vehicle Purchaser or Lessee

The vehicle purchaser or lessee is responsible for submitting the rebate application and providing CCSE all required documentation. Eligible vehicle purchasers or lessees must accept the rebate directly – the Clean Vehicle Rebate Project does not provide an option to assign the rebate to a lessor (vehicle dealer or manufacturer). To receive a Clean Vehicle Rebate Project rebate, a vehicle purchaser or lessee must:

- Be an individual, business, non-profit, or government entity which is based in California or has a California-based affiliate.
- Submit a rebate application form either online or through the mail.
- Submit the following documentation to CCSE:
    1. Proof of temporary or permanent vehicle registration. A copy of the Application for New Vehicle Registration submitted by the dealer to DMV

is acceptable proof of temporary vehicle registration if submitted within one year of sale. Local, state and federal agencies and entities may submit other documents with the prior approval of CCSE.

2. A copy of the lease/purchase agreement signed by all parties with an itemization of credits, discounts and incentives received, if applicable.
3. For individuals, a copy of a current utility billing statement.
4. For businesses or non-profits, a copy of the Certificate of Registration issued by the California Secretary of State. Sole proprietors may submit a copy of current utility billing statement in lieu of certificate.
5. For select NEVs as identified on the eligible vehicle list, evidence of sealed maintenance-free batteries and a 24-month warranty.

For rebate applications submitted through the mail, documentation must be submitted with the mailed rebate application. For rebate applications submitted online, documentation must be submitted within 14 calendar days.

- Maintain insurance as required by law.
- Notify CCSE of new address if there is an address change within the three-year period after the date of purchase or lease.
- Notify CCSE if the vehicle is sold or the lease is terminated within the three-year period after the date of purchase or lease.
- Not make or allow any modifications to the vehicle's emissions control systems, hardware, software calibrations, or hybrid system. (Violation, CVC 27156)
- For purchasers or lessees of Commercial ZEVs, submit annual usage surveys for three years. For all other vehicle types, ARB reserves the right to request vehicle usage information at any time within the three years after the rebate is issued.
- Commit that any emission reductions generated by the purchased hybrid vehicle will not be used as marketable emission reduction credits, to offset any emission reduction obligation of any person or entity, or to generate a compliance extension or extra credit for determining regulatory compliance.
- Be available for follow-up inspection if requested by CCSE, ARB, or ARB's designee for the purposes of project oversight and accountability.

The vehicle purchaser or lessee is responsible for ensuring the accuracy of the information on all rebate applications and required documentation submitted to CCSE. Submission of false information on any required documents may be considered a criminal offense and is punishable under penalty of perjury under the laws of the State of California.

Vehicle purchasers and lessees participating in the Clean Vehicle Rebate Project are expected to keep the vehicle and meet all applicable project requirements for a minimum three year period after the vehicle purchase date. However, resale of a vehicle or return to dealer is allowed within this three year period if necessitated by unforeseen or unavoidable circumstances as approved by ARB. If the vehicle is resold, the vehicle purchaser or lessee must assign a prorated portion of their rebate, in an amount equivalent to the original rebate amount divided by 36 months and then multiplied by the number of months remaining in the original 36 month period (rounded to the nearest month), to the new owner or lessee of the vehicle. If the vehicle is

returned to the dealer, the same prorated portion of the rebate should be directed to CCSE.

Purchase of a vehicle with a Clean Vehicle Rebate Project rebate with the intent to resell the vehicle for financial gain within three years is not allowed. In these cases, the ARB (or its designee) reserves the right to recoup Clean Vehicle Rebate Project funds from the original vehicle purchaser identified on the rebate form and may pursue other remedies available under the law.

4 PROJECT ADMINISTRATION

4.1 Background

This section defines the respective roles of the ARB and CCSE in administering the Clean Vehicle Rebate Project.

4.2 Disbursement of Project Funding

4.2.1 Vehicle Funding

The success of the Clean Vehicle Rebate Project is contingent upon the ability of vehicle purchasers and lessees to take advantage of the rebates quickly after purchasing or leasing an eligible vehicle. CCSE will receive ten percent of Clean Vehicle Rebate Project funding from ARB as seed money prior to rebates being available in order to turn around rebate applications quickly. This seed funding includes up to fifty percent of the total allowable Clean Vehicle Rebate Project administration funding (see below), with the remainder of the ten percent of total Clean Vehicle Rebate Project funds to be used to redeem rebates. Additional funds will be provided to CCSE as needed to quickly and efficiently fulfill rebate requests. The CCSE must submit a Status Report documenting that 75 percent of previous funding allotments have been issued as rebates to request additional vehicle rebate funds from ARB. CCSE may request a funding amount up to that needed to pay off rebates for which complete applications have been submitted.

4.2.2 Administrative Funding

CCSE may use up to $376,544 for project administration and outreach (costs associated with promoting and redeeming rebates). CCSE shall receive funding for project administration on the following schedule:

- 50 percent of project administration funds at the time the Grant Agreement is signed (for outreach, to develop the webpage, labor, other project start-up costs, etc.)
- 20 percent of administration funding after half of vehicle funding is expended, and the complete and accurate Status Reports demonstrating fund expenditure for these vehicles have been supplied to ARB
- 20 percent of administration funding after all vehicle funding is expended, complete and accurate Status Reports demonstrating fund expenditure for these vehicles have been supplied to ARB, and CCSE provides documentation

describing expenditure of all match funding and in-kind services committed to in the project application.

- 10 percent of administration funding after ARB has received and approved CCSE's mechanism for receiving vehicle annual activity reports, ARB has received all intellectual property and data needed to ensure continued smooth implementation of the Clean Vehicle Rebate Project (see Sections 4.4 and 4.5, below), and ARB has received a Final Report documenting vehicles paid for by the program and fulfillment of all project commitments.

With the exception of the initial 50 percent of administrative funding provided for project start-up, all administrative funding provided to CCSE shall be on a reimbursement basis and requires administrative cost summaries approved by ARB for completed tasks and/or eligible expenses. CCSE must provide cost summaries for the first 50 percent of administration funding before additional administration funding will be provided.

Administrative cost summaries used to justify an additional increment of administration funding from ARB must describe costs for work completed in the following categories: 1) labor expenses (including total staff time and labor costs); 2) external consultant fees for completed work (if applicable); 3) printing, mailing, travel, and other outreach expenses; and 4) indirect costs. Additional administrative cost category summaries may be provided to ARB if warranted. Documentation substantiating these costs must be maintained by CCSE and provided to ARB upon request, as described in Sections 4.6 and 4.11 of this Implementation Manual.

4.3 Accounting of State Funds

CCSE must provide ARB with documentation accounting for the proper expenditure of State funds. The documentation must be provided in Status Reports submitted at least every three months to ARB and a Final Report submitted after all vehicle funding has been expended and prior to CCSE receiving their last disbursement of administrative funding.

4.3.1 Status Report

CCSE must provide a Status Report to ARB detailing the vehicles and associated rebate amounts assigned and redeemed to date (See Appendix D for a Sample Status Report). The Status Report must include, at a minimum, the following information:

- Number of rebates requested.
- Number and dollar amount of rebates issued detailed by vehicle, purchase price, fleet type (public or private), other financial incentives received (other than tax rebates) and California air basin.
- Administrative cost summaries
- Remaining grant funding available.
- Identified problems or concerns.

The Status Report provides a mechanism for CCSE to justify a need for an additional Clean Vehicle Rebate Project funding from ARB. The Status Report must be submitted

at least every three months, but may be provided on a monthly or bi-monthly basis if needed to justify additional funding from ARB. The first Status Report must be submitted three months after the grant agreement is fully executed or when requesting additional disbursement of funds, whichever is sooner.

4.3.2 Final Report

CCSE must submit a Final Report to ARB after all vehicle funding has been expended. This report must document all vehicles paid for by the program (may be provided as a summaries of previously submitted Status Reports) and fulfillment of all project commitments. The Final Report must include, at minimum, total fund expenditures (including match and in-kind funds), vehicles funded, outreach efforts, and implementation challenges, and recommends potential program improvements.

4.4 Intellectual Property

CCSE, selected via competitive grant solicitation in 2009, is responsible for implementation of the Clean Vehicle Rebate Project approved by the Board as part of the AQIP Funding Plan for FY 2009-10. Should the Clean Vehicle Rebate Project receive additional funding in FY 2010-11, the ARB is required to select a Grantee for these future year's funds via another competitive solicitation. CCSE is eligible to apply to implement the Clean Vehicle Rebate Project in subsequent funding years.

Any webpage(s), software or other intellectual property developed or purchased by CCSE for the purposes of administering or implementing the Clean Vehicle Rebate Project are the property of ARB. Should a different Grantee be selected to manage the Clean Vehicle Rebate Project in subsequent funding years, it will be CCSE's responsibility to turn over this property and information to the new Grantee and provide all reasonable and necessary assistance needed to ensure a smooth transition. It is ARB's intention that access to and redemption of rebates are seamless to vehicle purchasers and lessees as the Clean Vehicle Rebate Project transitions to each new fiscal year.

4.5 Vehicle Activity Reporting

The purchasers or lessees of Commercial ZEVs that receive a Clean Vehicle Rebate Project rebate must report annually for three years regarding vehicle miles travelled and fleet location. CCSE is responsible for providing ARB with a simple and effective mechanism for requesting and receiving this information from vehicle purchasers and lessees. These mechanisms could include U.S. Mail packages with the reporting form and return envelope to be sent by ARB to the vehicle purchaser or lessee annually, an internet-based system for the vehicle purchaser or lessee to annually report activity, or some other mechanism. ARB will work with CCSE to determine the most simple and effective mechanism for ensuring receipt of annual reports. No additional funds will be provided to CCSE or vehicle purchaser or lessee to complete this task.

ARB reserves the right to request vehicle usage information, for all other eligible vehicle types, at any time within the three years after the rebate is issued. ARB will coordinate with CCSE to determine the most cost-effective way of retrieving this information.

4.6 Documentation of Administrative Costs

Administrative funds shall only be used for costs associated with project implementation related tasks outlined in the AQIP Funding Plan, the project solicitation, the Implementation Manual, or grant agreement with CCSE. Administrative funds shall be used for Clean Vehicle Rebate Project administration and outreach including: CCSE staff time; consultant fees (if pre-approved by ARB); printing, mailing, and travel costs; project monitoring and compliance expenses; and indirect costs such as general administrative services, office space, and telephone services.

CCSE must maintain documentation of Clean Vehicle Rebate Project funds used for administration and outreach, including:

- Personnel documentation must make use of timesheets or other labor tracking software. Duty statements or other documentation may also be used to verify the number of staff and actual hours or percent of time staff devoted to Clean Vehicle Rebate Project administration and outreach.
- Fees for external consultants must be documented with copies of the consultant contract and invoices. All external consultant fees must be pre-approved by ARB.
- Printing, mailing, and travel expenses must be documented with receipts and/or invoices.
- Any reimbursement for necessary travel and per diem shall be at rates not to exceed those amounts paid to the State's represented employees. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from ARB. The State's travel and per diem reimbursement amounts may be found online at www.dpa.da.gov/jobinfo/statetravel.shtm. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred by CCSE.

- If indirect costs are used to document project administrative costs funded by the Clean Vehicle Rebate Project, CCSE must have an official written policy regarding calculation of these costs. The Project Administrator must maintain documentation for all costs referenced in the indirect cost calculation formula.

The above documentation, records, and referenced materials must be made available for review during ARB, or its designee, monitoring visits and audits. These records must be retained for a minimum of three years after submittal of the final Clean Vehicle Rebate Project invoice to ARB.

If CCSE charges unallowable costs for project administration or outreach, it shall be required to substitute eligible administration and outreach expenses equal to the dollar amount found ineligible, or return the funds for the unallowable cost to the ARB.

4.7 In-Kind Services

CCSE is encouraged to contribute in-kind services to improve the Clean Vehicle Rebate Project's effectiveness, or match funding to increase the number of vehicles funded. Funds expended on in-kind services must meet all the requirements of Section 4.6 of this Implementation Manual and must be documented in the Clean Vehicle Rebate Project Final Report to ARB.

4.8 Match Funding

For the purposes of the Clean Vehicle Rebate Project, match funding shall include only those funds contributed by CCSE directly to the Clean Vehicle Rebate Project for the purposes of funding eligible vehicles. Contributions to similar vehicle rebate programs or other air quality incentive projects (i.e. in-kind match) are not considered eligible match funds for the purposes of the Clean Vehicle Rebate Project. CCSE must meet all match funding commitments made in its Clean Vehicle Rebate Project application.

Match funding can only be used in two ways – to increase the number of eligible vehicles funded or to increase the rebate amount provided to eligible vehicles (not to exceed the vehicle's full incremental cost). All Clean Vehicle Rebate Project match funding or vehicles funded with match funds must meet the following criteria:

- Funding from other state or federal revenue sources, such as the Carl Moyer Program or other AB 118 programs, may not be counted as match.
- The combination of Clean Vehicle Rebate Project and match funding may not exceed a vehicle's incremental cost (See Section 2.5 for guidance regarding incremental cost).
- Match funding must meet the same requirements applicable to Clean Vehicle Rebate Project non-match funds, and vehicles purchased wholly or in part with match funding must meet the same requirements as vehicles funded with non-match Clean Vehicle Rebate Project funds.

Documentation of match funding expended on eligible vehicles must be retained for a minimum of three years after the match-funded voucher has been redeemed.

4.9 Earned Interest

Interest earned by CCSE on Clean Vehicle Rebate Project funds must be reported to ARB. All interest income on Clean Vehicle Rebate Project funds, including both vehicle rebate funds and project administration/outreach funds, must be reinvested in the Clean Vehicle Rebate Project to fund additional rebates for eligible vehicles. CCSE is responsible for reporting to ARB on all vehicles funded with interest earned on Clean Vehicle Rebate Project funds.

CCSE must maintain accounting records (e.g. general ledger) that tracks interest earned and expended on Clean Vehicle Rebate Project funds, as follows:

- The calculation of interest must be based on an average daily balance or some other reasonable and demonstrable method of allocating the proceeds from the interest-generating account back into the program.
- The methodology for tracking earned interest must ensure that it is separately identifiable from interest earned on non-Clean Vehicle Rebate Project funds.
- The methodology for calculating earned interest must be consistent with how it is calculated for CCSE's other fiscal programs.
- Earned interest must be fully expended by June 30, 2012.

Documentation of interest earned on Clean Vehicle Rebate Project funds must be retained for a minimum of three years after it is generated. Documentation of interest expended on eligible vehicles must be retained for a minimum of three years after the interest-funded rebate has been redeemed.

4.10 Records

Without limitation of the requirement to maintain project accounts in accordance with generally accepted accounting principles, CCSE must:

- Establish an official file for the Clean Vehicle Rebate Project which shall adequately document all significant actions relative to the project.
- Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Clean Vehicle Rebate Project.
- Establish separate accounts which will adequately and accurately depict all income received which is attributable to the Clean Vehicle Rebate Project.
- Establish an accounting system which will adequately depict final total costs of the Clean Vehicle Rebate Project, including both direct and indirect costs.

4.11 Oversight and Accountability

Through its administration of longstanding incentive programs such as the Carl Moyer Program, ARB has found that project evaluations and program reviews are essential to ensure that incentive program funds are run in accordance with statutory requirements and that State funds are spent transparently and efficiently.

ARB holds the overarching responsibility for Clean Vehicle Rebate Project fund oversight and project accountability and has final authority regarding vehicle eligibility and other program parameters. As such, ARB is responsible for monitoring and reviewing CCSE's implementation of the Clean Vehicle Rebate Project. Responsibilities for Clean Vehicle Rebate Project oversight are as follows:

- ARB has primary oversight responsibility for the Clean Vehicle Rebate Project to ensure transparent and efficient implementation, and that AQIP funds are spent consistent with the requirements of statute, the AQIP Guidelines and Funding Plan, the Clean Vehicle Rebate Project solicitation and grant agreement with CCSE, and this Implementation Manual. ARB, or its designee, reserves the right to conduct a site visit, evaluation, review, or audit the Clean Vehicle Rebate Project for the life of the project grant.
- If CCSE detects any potentially fraudulent activity by a vehicle dealer, purchaser, or lessee, it shall notify ARB as soon as possible and work with ARB to determine an appropriate course of action.
- ARB staff or its designees have primary responsibility for conducting project reviews and/or fiscal audits of Clean Vehicle Rebate Project administration and implementation.
- Rebate recipients and CCSE must allow ARB, the California Department of Finance, the California Bureau of State Audits, or any authorized designee access, during normal business hours, to conduct Clean Vehicle Rebate Project reviews and fiscal audits or other evaluations. Granting of access includes, but is not limited to, reviewing project records, site visits, and other evaluations as needed. ARB, or its designee, has the right to review and to copy any records and supporting documentation pertaining to development or implementation of the Clean Vehicle Rebate Project. Project evaluations or site visits may occur unannounced as ARB staff or its designee deems necessary.

Project Non-Performance

ARB or its designee has the authority to recoup Clean Vehicle Rebate Project funds which were received based upon misinformation or fraud, or for which CCSE, dealership, manufacturer, or vehicle purchaser or lessee is in significant or continual non-compliance with this Implementation Manual or State law. ARB also retains the authority to prohibit any entity from participating in the Clean Vehicle Rebate Project due to non-compliance with project requirements.

5 DEFINITIONS

"Advanced technology PZEV" or "AT PZEV" means any PZEV with an allowance greater than 0.2 before application of the PZEV early introduction phase-in multiplier.

“ARB-Certified” means a vehicle that has been certified as a ZEV or a PHEV and issued an Executive Order by ARB in accordance with the provisions of the California ZEV Regulation (section 1962(e), Title 13, CCR *)*

“ARB Project Liaison” is the ARB staff person, named in this Implementation Manual, which serves as the point of contact for coordination with the Clean Vehicle Rebate CCSE.

“Battery Electric Vehicle” (BEV) means any vehicle that operates solely by use of a battery, or that is powered primarily through the use of an electric battery but uses a flywheel or capacitor that also stores energy to assist in vehicle operation.

“Commercial vehicle” means any vehicle or combination of vehicles defined in Vehicle Code Section 15210(b).

“Earned interest” means any interest generated from State AQIP funds provided to CCSE and held in an interest-bearing account.

“Enhanced AT-PZEV” means any PZEV that has an allowance of 1.0 or greater per vehicle without multipliers and makes use of a ZEV fuel.

“Expend” for the purpose of this program means the payment of funds on an invoice for an eligible vehicle.

“CCSE” California Center for Sustainable Energy; the entity selected by ARB via competitive grant solicitation to redeem rebates for the Clean Vehicle Rebate Project. The responsibilities of CCSE are described in Section 3.2 of this Implementation Manual and in the grant agreement between ARB and CCSE.

“Gross vehicle weight rating (GVWR)” means the vehicle weight described on the original manufacturer Line Setting Ticket provided to the vehicle dealer.

“Heavy-duty vehicle” means a motor vehicle having a manufacturer's GVWR greater than 14,000 pounds.

“Hybrid Electric Vehicle” (HEV) means any vehicle that can draw propulsion energy from both on-vehicle sources of stored energy: 1) consumable fuel, and 2) an energy storage device such as a battery, capacitor, or flywheel.

“Incremental cost” means the difference in cost between the new zero emission or plug-in hybrid electric vehicle and the comparable new gasoline or diesel fueled vehicle that would be purchased to perform the same function.

“In-kind services”, for the purposes of this program, means payments or contributions made in the form of goods and services, rather than direct monetary contributions.

“Light-duty truck” means any 2000 and subsequent model motor vehicle certified to the standards in section 1961(a)(1), Title 13, CCR, rated at 8,500 pounds gross vehicle weight or less, and any other motor vehicle rated at 6,000 pounds gross vehicle weight or less, which is designed primarily for purposes of transportation of property or is a derivative of such a vehicle, or is available with special features enabling off-street or off-highway operation and use.

“Match funding” means those funds contributed by CCSE directly to the Clean Vehicle Rebate Project for the sole purposes of funding additional vehicles or increasing the vehicle rebate amount.

“Medium-duty vehicle” for the purposes of the CVRP means a motor vehicle having a manufacturer's GVWR of greater than 10,000 pounds but less than or equal to 14,000 pounds.

“Neighborhood Electric Vehicle” (NEV) means a motor vehicle that meets the definition of “low-speed vehicle” either in section 385.5 of the CVC or in 49 CFR 571.500 (as it existed on July 1, 2000) and is certified to zero-emission vehicle standards.

“Passenger car” means any motor vehicle designed primarily for transportation of persons and having a design capacity of twelve persons or less.

“Plug-in Hybrid Electric Vehicle” (PHEV), (sometimes referred to as an Extended Range Electric Vehicle or EREV) means a hybrid electric vehicle which has:

- zero emission vehicle range capability,
- on-board electrical energy storage device with useful capacity equivalent to greater than or equal to ten miles of Urban Dynamometer Driving Schedule (UDDS) range on electricity alone,
- is equipped with an on-board charger, and is
- rechargeable from an external connection to an off-board electrical source.

“Type I ZEV” means a ZEV with a UDDS ZEV range of 50 miles or more.

“Type I.5 ZEV” means a ZEV with a UDDS ZEV range of 75 miles or more.

“Type II ZEV” means a ZEV with a UDDS ZEV range of 100 miles or more.

“Type III ZEV” means a ZEV with either (1) a UDDS range of 200 miles or (2) a UDDS ZEV range of 100 miles or more and is capable of replacing 95 miles of range in 10 minutes or less per CCR section 1962.1(d)(5)(B) of the California ZEV Regulation.

“Type IV ZEV” means a ZEV with a UDDS ZEV range of 200 miles or more and is capable of replacing 190 miles of range in 15 minutes or less per CCR section 1962.1(d)(5)(B) of the California ZEV Regulation.

“Type V ZEV” means a ZEV with a UDDS ZEV range of 300 miles or more and is capable of replacing 285 miles of range in 15 minutes or less per CCR section 1962.1(d)(5)(B) of the California ZEV Regulation.

“UDDS” means urban dynamometer driving schedule as set forth Appendix I of title 40, CFR, Part 86.

“Zero-Emission Motorcycle” (ZEM) means a fully-enclosed zero emission vehicle designed to travel on three wheels or a two-wheeled electric motorcycle meeting the provisions of CVC section 400 are motorcycles in the ZEM category. Additionally, ZEMs are designated as either freeway capable or non-freeway capable. Freeway capable ZEMs are those falling under the general definition of “motorcycle” in CVC section 400(a). Non-freeway capable ZEMS have a maximum speed of 45 miles per hour per CVC section 400(c).

“Zero-Emission Vehicle” (ZEV) means any vehicle certified to zero emission standards.

Appendix A

Vehicle Eligibility Application

AB 118: ZERO-EMISSION VEHICLE AND PLUG-IN HYBRID LIGHT-DUTY VEHICLE REBATE PROJECT (CLEAN VEHICLE)

VEHICLE ELIGIBILITY APPLICATION

This is an application for vehicles to be included on the list of vehicles eligible for the California Air Resources Board's (ARB) Clean Vehicle Rebate Project. This application must be completed, submitted to ARB, and vehicle must receive approval prior to the vehicle being eligible for a rebate. If the vehicle receives approval, ARB will notify CCSE for inclusion on the list of eligible vehicles.

ARB reserves the right to request additional information or clarification of information provided in this application. This application applies to and must be completed by the original vehicle manufacturer or its legal representative.

Part I: Vehicle Manufacturer Information

1. Manufacturer Name:		
2. Staff Contact Name and Title:		
3. Business Mailing Address and Contact Information Street:		
City:	State:	Zip Code:
Phone: ( )	Fax: ( )	
E-mail:		

In Table 1 (below), please provide the year, make, and model for the vehicle(s).

Table 1: Vehicle Information

Model Year	Vehicle Make	Vehicle Model

Part II: Verification of Vehicle Eligibility

A. For vehicle models not currently on the list of eligible vehicles:

Please provide the following information as attachments to this form for each vehicle model listed in Table 1. ARB reserves the right to request additional information to complete the vehicle eligibility evaluation.

- ☐ ARB Executive Order(s), except for zero-emission motorcycles and Commercial ZEVs greater than 14,000 pounds GVWR
- ☐ ARB approval letter for Commercial ZEVs greater than 14,000 pounds GVWR
- ☐ Warranty provisions
- ☐ After sales service provisions
- ☐ Neighborhood Electric Vehicles (NEV) only- NEV America technical evaluation (most recent printout from web site)
- ☐ MSRP price sheets
- ☐ Zero-emission motorcycles only- Completion of the Zero-Emission Motorcycle Evaluation Procedures (Appendix C of the Implementation Manual) and associated forms
- ☐ Briefly describe information provided to vehicle dealers/purchasers regarding proper disposal of both the propulsion and auxiliary vehicle battery and how this information is conveyed.

B. For vehicle models currently on the list of eligible vehicles (addition of new model years):

Please initial if the following statement is true.

_____ I certify that the vehicle(s) listed in Table 1 have not been modified from the vehicle(s) that were previously approved by ARB for inclusion on the List of Eligible Vehicles including warranty and after sales service provisions, and, for NEVs, the NEV America technical evaluation.

Please provide the following information for each vehicle model listed in Table 1.

☐ MSRP price sheets

☐ ARB Executive Order(s), except for zero-emission motorcycles and Commercial ZEVs greater than 14,000 pounds GVWR.

☐ ARB Approval letter for Commercial ZEVs greater than 14,000 pounds GVWR

I hereby certify that all information provided in this application and any attachments are true and correct. Submission of false information on this form is punishable under penalty of perjury under the laws of the State of California.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:

For all vehicles, except Commercial ZEVs, mail this application and all supporting documentation to:

Mark Williams
Air Resources Board
Mobile Source Control Division
P.O. Box 2815
Sacramento, CA 95812

For Commercial ZEVs, mail this application and all supporting documentation to:

Stella Ling-Taylor
Air Resources Board
Mobile Source Control Division
P.O. Box 2815
Sacramento, CA 95812

Appendix B

Table of Federal Motor Vehicle Safety Standards

FEDERAL MOTOR VEHICLE SAFETY STANDARDS (FMVSS); APPLICABILITY								
49 CFR Part 571 **FMVSS Number**	Passenger Car	MPV Lt Truck (1)	Heavy	Bus	Motorcycle	Trailer	Equipment	Low-speed
100 Series ***(Crash Avoidance)***								
101 Controls and Displays	●	●	●	●				
102 Transmission Shift Lever Sequence	●	●	●	●				
103 Windshield Defrosting and Defogging Systems	●	●	●	●				
104 Windshield Wiping and Washing Systems	●	●	●	●				
105 Hydraulic and Electric Brake Systems	●	●	●	●				
106 Brake Hoses	●	●	●	●	●	●	●	
108 Lamps, Reflective Devices and Associated Equipment	●	●	●	●	●	●	●	
109 New Pneumatic Tires	(3)	(4)		(4)		(4)	●	
110 Tire Selection and Rims	●						●	
111 Rearview Mirrors	●	●	●	● (5)	●			
113 Hood Latch System	●	●	●	●				
114 Theft Prevention	●	●						
116 Hydraulic Brake Fluids	●	●	●	●	●	●	●	
117 Retreaded Pneumatic Tires (passenger cars)							●	
118 Power-Operated Window Systems	●	●						
119 New Pneumatic Tires for Trucks, Buses etc.		(4)	(4)	(4)	(4)	(4)	●	
120 Tire Selection and Rims for Trucks, Buses etc.		●	●	●	●	●	●	
121 Air Brake Systems			●	●		●		
122 Motorcycle Brake Systems					●			
123 Motorcycle Controls and Displays					●			
124 Accelerator Control Systems	●	●	●	●				
125 Warning Devices							●	
129 New Non-Pneumatic Tires for Passenger Cars	(3)	(4)					●	
131 School Bus Pedestrian Safety Devices				● (5)				
135 Passenger Car Brake Systems	●	● (6)						

49 CFR Part 571 **FMVSS Number**	Passenger Car	MPV Lt Truck (1)	Heavy	Bus	Motorcycle	Trailer	Equipment	Low-speed
200 Series ***(Crash Worthiness)***								
201 Occupant Protection in Interior Impact	●	●		● (1)				
202 Head Restraints	●	●		● (1)				
203 Impact Protection for Driver Steering Controls	●	●		● (1)				
204 Steering Control Rearward Displacement	●	●		●				
205 Glazing Materials	(7)	(7)	(7)	(7)	(7)		●	(7)
206 Door Locks and Retention Components	●	●	●					
207 Seating Systems	●	●	●	●				
208 Occupant Crash Protection	●	●	●	●				
209 Seat Belt Assemblies	(7)	(7)	(7)	(7)			●	
210 Seat Belt Assembly Anchorages	●	●	●	●				
212 Windshield Mounting	●	●		● (1)				
213 Child Restraint Systems	●	●		●			●	
214 Side Impact Protection	●	●		● (1)				
216 Roof Crush Resistance	●	● (8)		● (8,9)				
217 Bus Emergency Exits and Window Retention				●				
218 Motorcycle Helmets							●	
219 Windshield Zone Intrusion	●	●		● (1)				
220 School Bus Rollover Protection				● (5)				
221 School Bus Body Joint Strength				● (5)				
222 School Bus Seating and Crash Protection				● (5)				
223 Rear Impact Guards							●	
224 Rear Impact Protection						● (2)		
225 Child Restraint Anchorage Systems	●	● (10)		● (1)				

49 CFR Part 571 FMVSS Number	Passenger Car	MPV Lt Truck (1)	Heavy	Bus	Motorcycle	Trailer	Equipment	Low-speed
300 Series ***(Post Crash Protection)***								
301 Fuel System Integrity	●	●		● (5)				
302 Flammability of Interior Materials	●	●	●	●				
303 Fuel System Integrity of Compressed Natural Gas Vehicles	●	●		● (1,5)				
304 Compressed Natural Gas Fuel Container Integrity							●	
500 Series (*Low-Speed Vehicles*)								
500 Low-Speed Vehicles								●

(1) Gross Vehicle Weight Rating (GVWR) *less than or equal to* 4,536 Kg (10,000 lb)
(2) GVWR *greater than* 4,536 Kg (10,000 lb)
(3) *See FMVSS No. 110*
(4) *See FMVSS No. 120*
(5) Applies to or has different requirements for School Buses
(6) GVWR *less than or equal to* 3,500 Kg (7,716 lb)
(7) For use in
(8) GVWR *less than or equal to* 2,722 Kg (6,001 lb)
(9) Does not apply to School Buses
(10) GVWR less than or equal to 3,855 Kg (8,500 lb)

Passenger Car: Motor vehicle with motive power, except a low-speed vehicle, multipurpose passenger vehicle, motorcycle or trailer designed for carrying 10 persons or less.
Multipurpose Passenger Vehicle: Motor vehicle with motive power, except a low-speed vehicle or a trailer designed to carry 10 persons or less which is constructed either on a truck chassis or with special features for occasional off-road operation.
Truck: Motor vehicle with motive power, except a trailer, designed primarily for the transportation of property or special purpose equipment.
Bus: Motor vehicle with motive power, except a trailer, designed for carrying more than 10 persons.
School Bus: A bus that is sold, or introduced in interstate commerce, for purposes that include carrying students to and/or from school or related events, but does not include a bus designed and sold for operation as a common carrier in urban transportation.
Motorcycle: Motor vehicle with motive power, having a seat or saddle for use of the rider and designed to travel on not more than three wheels in contact with the ground.
Trailer: Motor vehicle with or without motive power, designed for carrying persons or property and for being drawn by another motor vehicle.
Motor Vehicle Equipment: Individual vehicle components or systems whether installed on a new vehicle or provided as a replacement or accessory that are subject to a FMVSS.
Low-Speed Vehicle: 4-wheeled motor vehicle, other than a truck, with a maximum speed greater than 20 and not more than 25 miles per hour.

Appendix C

Clean Vehicle Rebate Project Zero Emission Motorcycle Evaluation Procedures

CLEAN VEHICLE REBATE PROJECT ZERO EMISSION MOTORCYCLE EVALUATION PROCEDURES

1. Introduction

The Clean Vehicle Rebate Project provides rebates to eligible zero-emission motorcycles (ZEMs). To ensure that these vehicles are robust and offer their purchasers enduring trouble-free performance, the California Air Resources Board (ARB) requires them to successfully complete established baseline performance evaluations.

ZEMs must meet prescribed vehicle requirements based upon zero emission vehicle testing procedures developed by Southern California Edison's (SCE) Electric Vehicle Testing Center. The ARB, in consultation with SCE, has modified the electric vehicle testing procedures to reflect the operating characteristics of ZEMs.

ZEM manufacturers seeking Clean Vehicle Rebate Project rebate eligibility must have an ARB-recognized independent third-party vehicle standards organization[3] evaluate vehicle range and acceleration using the procedures contained in this document (data collected will be held confidentially). The ARB will review the evaluation and issue a pass or fail determination. Pass determinations will also state rebate eligibility amount based upon whether the ZEM is either freeway capable (completion of two circuits of the Pomona Loop[4]) or non-freeway capable[5] (completion of one circuit of the Pomona Loop) vehicle. All other applicable legal requirements to certify operation of a motor vehicle on a public roadway must be satisfied before the vehicle is submitted for range certification.

2. Vehicle Receipt, Preparation and Inspection

A. Before accepting the vehicle for testing, the following must be satisfied:

1. The vehicle must be licensed for legal operation on public roadways.
2. The vehicle must pass a safety and functionality inspection.
3. The vehicle must have a minimum sustained speed capability of 35 mph on the Pomona Loop course[6] and freeway-capable vehicles must be able to accelerate from 0 to 50 mph in 10 seconds or less.

B. Complete the following preparation and inspection steps:

[3] The ARB reserves the right to approve or disapprove the proposed vehicle standards organization.
[4] The Pomona Loop is an urban test course of 20 miles length in city traffic (see diagram at end of this document).
[5] Non-freeway capable ZEMs are those falling under California Vehicle Code Section 400(c).
[6] If this performance level cannot be met, then the vehicle could be considered for neighborhood electric vehicle testing. (See the NEV specifications contained in section 2.3.3 of this Implementation Manual.)

1. Fill out the Vehicle Test Equipment and Nameplate Data Sheet (Form MSCD/AFV04).

2. When the tires are “cold”, check the air pressure and inflate the tires to the maximum pressure indicated on the tire sidewall using a calibrated tire pressure gage; for consistency, pressure should be checked within one hour of starting the test drive. Tires can be considered “cold” if the vehicle has been parked for at least two hours. Check the pressure before each test at a consistent time relative to the test drive schedule.
3. Check the vehicle fluid levels (coolant, brake fluid, etc.) if applicable before each drive.
4. Fully charge the vehicle’s battery pack in a controlled environment using the supplied battery charger and allow it to cool at least four, and not more than twelve hours before beginning the range test.

3. Pomona Loop Range Test

A. Pomona Loop Range Test

Record the odometer reading and starting ambient conditions on the Electric Vehicle Driving Test Data Sheet (Form MSCD/AFV05). It is preferable to start the drive in the morning at a consistent time and temperature. Drive the vehicle on the Pomona Loop, with no passengers, in a manner that is compatible with the safe flow of traffic, attempting to maintain the posted speed limit whenever possible, but at no time exceeding the posted speed limit. Complete one loop for non-freeway capable ZEMs, and two loops for freeway capable ZEMs.

Upon completion of the circuit, record the end-of-test data (odometer, state of charge, ending ambient conditions) on MSCD/AFV05. Recharge the vehicle battery in a controlled environment using the supplied battery charger, and record the recharge data.

If the vehicle fails to complete the required distance, follow the specifications in section B.4 before repeating the test once more.

B. Stop Conditions if Vehicle is Unable to Complete the Test

The maximum useable range of the vehicle is determined by vehicle gage indications specified by the manufacturer, or if no instructions are specified, by diminished vehicle performance such that the vehicle is no longer capable of safely operating with the flow of traffic. Typically, an electric vehicle will have two warning lights near the end of the vehicle’s range. The first is usually a cautionary light at roughly 20 percent state of charge (SOC). This light is usually a reminder to the driver that the state of charge is low. The second warning usually comes on at about 10 to 15 percent SOC, and is an indication to charge immediately. A testing entity should use this second warning signal, as recommended by the manufacturer, to stop the range test, so that there is no

chance to harm the traction battery by over-discharge. If within a mile or two of the test circuit starting position, and possible to drive it in slowly and conservatively, do so. If farther than that, the driver will stop the vehicle and have it transported in.

4. Acceleration Test

Upon successful completion of the Pomona Loop Range Test, follow the specifications in section B.4 before beginning the acceleration test. The acceleration test will be performed on a surface street with a posted speed limit of 50 miles per hour or greater and in a manner that is compatible with the safe flow of traffic. Upon completion of the acceleration test, record the state of charge and elapsed time in the “other comments” section of MSCD/AFV05.

5. Output

The manufacturer or testing entity will provide the ARB with completed forms MSCD/AFV04 through 06. The ARB will review the evaluation data and will provide the manufacturer with a pass/fail and freeway capable vs. non-freeway capable determination. All data collected will be shared with the vehicle manufacturer only and to others upon request only as required by law.

Clean Vehicle Rebate Project Zero Emission Motorcycle Evaluation Procedure

FORMS AND DIAGRAMS

VEHICLE TEST EQUIPMENT AND NAMEPLATE DATA SHEET

Project/User Contact: _____ Test: _____
Date(s): _____ File Name(s): _____
Vehicle Number: _____ Technician: _____

VEHICLE

Manufacturer: _____ VIN: _____
Model: _____ Model Year: _____ Manufacture Date: _____
Mileage: _____
Motor Manufacturer: _____ Motor Type: _____
Motor Rating/Speed: _____
Version/Serial No.: _____
Controller Version/serial No.: _____
Battery Pack Type/Version/Serial No.: _____

TIRES

Tire Manufacturer: _____ Model: _____
Tire size: _____ Maximum Pressure: _____
Maximum Tire Load: _____ Treadwear Rating: _____

CHARGER

On-board / Off-board: _____ Manufacturer: _____
Model: _____ Serial Number: _____
Charger Type/Version: _____
EVSE Manufacturer: _____
EVSE Model/Version: _____ Serial Number: _____
EVSE Software Version: _____
Charge Port Manufacturer/Model/Version/SN: _____

TEST EQUIPMENT **(Describe make and model as applicable)**

Power Profiler: _____
kWh Meter: _____
Thermometer: _____
Optical Meter Probe: _____
Laptop Computer: _____
Desktop Computer: _____
Stopwatch: _____
Digital multimeter: _____
Battery Cycler: _____
Sound Level Meter: _____
Measuring Wheel: _____
Other Equipment: _____

WEIGHT CERTIFICATION

Scale Location and Proprietor: _____
Examiner: _____ Date: _____
Notes: _____
Total Curb Weight: _____ lb

Electric Vehicle Driving Test Data Sheet – MSCD/AFV-05

Date	Vehicle	VIN last 6	Test	Driver	Data File/Project		Volts
						Start	
Road Cond	Tire Press	Payload				Stop	
						Net	

DRIVING	Time	Odom	% SOC	DC Ah	DC kWh	Amb temp	A/C temp	A/C>10 min
Start								
Stop								Min. A/C
Net	0:00	0	0.00					

Distance	State of Charge		Notes / Deviations / Traffic / Weather / Performance
Miles	Veh meter	Range meter	

Accessories used: _____

Drive / Regen setting: _____

Handling/Braking: _____

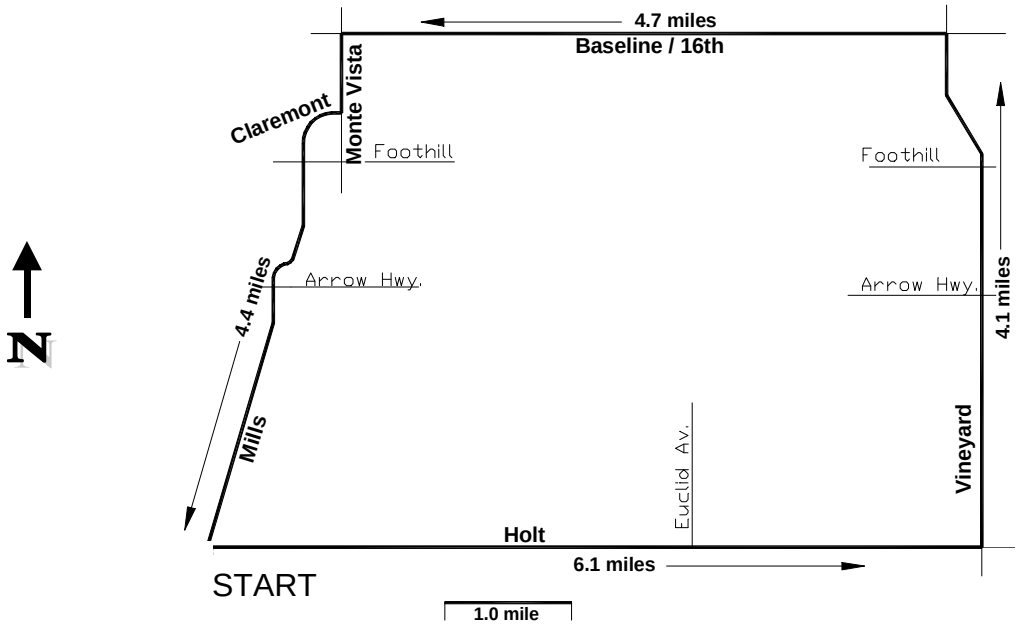
Other comments: _____

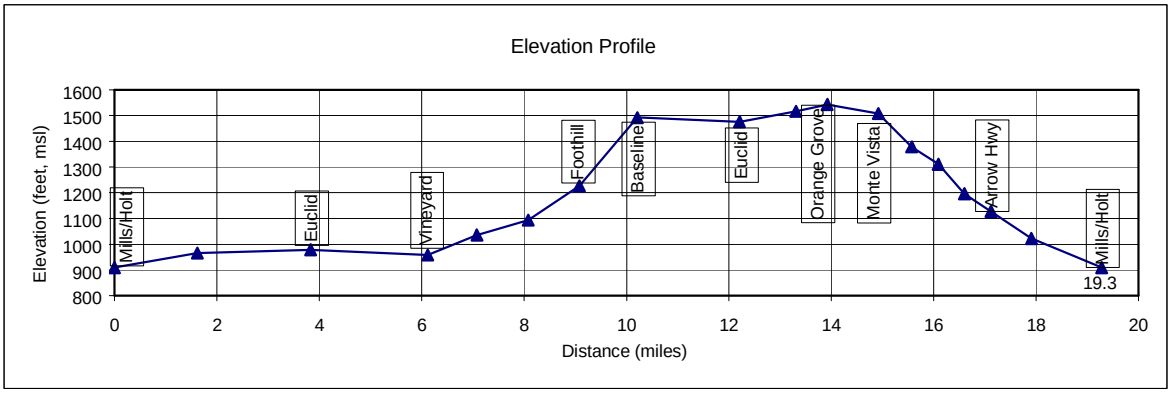
Charger	Serial No.	AC meter#	BMI #

CHARGING	Date	Time	AC kWh in	BMI kWh in	DC kWh in	DC Ah in	Amb temp	Volts
Start								
Stop								
Net								

Comments: _____

URBAN POMONA LOOP





Appendix D

Sample Clean Vehicle Rebate Project Status Report

Clean Vehicle Rebate Project
SAMPLE Status Report:
January 1, 2010 through March 31, 2010

I.

Rebate Requests This Quarter			
Received	Approved	Disapproved	Pending

II.

Vehicle Model	Purchase Price	Rebate	Purchaser (Individual, business, or public agency)	Other financial incentives received	Primary California air basin

III.

Status of ARB Funds	
Original Appropriation:	
Approved Rebates Previous Quarters:	
Approved Rebates This Quarter:	
Pending Rebate Applications:	
Remaining Funds:	($x,xxx,xxx)